



UTAH LEAGUE OF  
CITIES AND TOWNS





# Resort Community Development Challenges

- What is a “resort community”?
  - Economic engines; gateways
- What are the unique challenges they face?

# Existing specific financial tools



- Resort community taxes (cities/towns)
  - General sales
  - Potential impact of sales tax reform?
- Transient room taxes (counties)
  - Lodging and accommodations
  - 3% or 4.25%
- Transient room taxes (cities/towns)
  - Lodging and accommodations
  - 1% and .05%

# Resort Communities – Utah Code 59-12-4

*Effective 5/8/2018*

**59-12-401. Resort communities tax authority for cities, towns, and military installation development authority -- Base -- Rate -- Collection fees.**

- (1) (a) In addition to other sales and use taxes, a city or town in which the transient room capacity as defined in Section [59-12-405](#) is greater than or equal to 66% of the municipality's permanent census population may impose a sales and use tax of up to 1.1% on the transactions described in Subsection [59-12-103\(1\)](#) located within the city or town.

*Effective 5/8/2018*

**59-12-402. Additional resort communities sales and use tax -- Base -- Rate -- Collection fees -- Resolution and voter approval requirements -- Election requirements -- Notice requirements -- Ordinance requirements -- Prohibition of military installation development authority imposition of tax.**

- (1) (a) Subject to Subsections [\(2\)](#) through [\(6\)](#), the governing body of a municipality in which the transient room capacity as defined in Section [59-12-405](#) is greater than or equal to 66% of the municipality's permanent census population may, in addition to the sales tax authorized under Section [59-12-401](#), impose an additional resort communities sales tax in an amount that is less than or equal to .5% on the transactions described in Subsection [59-12-103\(1\)](#) located within the municipality.





# Resort Community Tax (up to 1.1%, or 1.6% in italics)

- *Alta*
- Boulder
- Bryce Canyon City
- *Brian Head*
- Dutch John
- Escalante
- *Garden City*
- *Green River*
- Independence
- Kanab
- Midway
- *Moab*
- Orderville
- Panguitch
- *Park City*
- *Park City East*
- *Springdale*
- Tropic

# Other cities/towns that do not qualify for RC tax but face unique tourism impacts:

- Apple Valley
- Blanding
- Bluff
- Cedar City
- Hurricane
- Ivins
- Rockville
- Santa Clara
- St. George
- Torrey
- Washington

# The challenges

Economic development

Housing

Infrastructure

Public Safety

# Economic Development in Resort Communities



- **Challenge:** attracting and maintaining businesses and industry to support a year-round tax base, provide higher-paying jobs, and promote a full-time population.
- **Challenge:** balancing social equity among seasonal homeowners, workforce, and established homeowners.
- **Challenge:** preserving open space during rapid housing and commercial development.



# Housing in Resort Communities: unique market forces



- **Challenge:** providing affordable housing to workforce, particularly in geographically isolated places.
- **Challenge:** preserving housing affordability in desirable communities.
- **Challenge:** preserving rental availability in popular destinations.
- **Challenge:** regulating the impact of short-term rentals on housing stock.
- **Challenge:** funding continual studies and research to inform housing/ general plans.

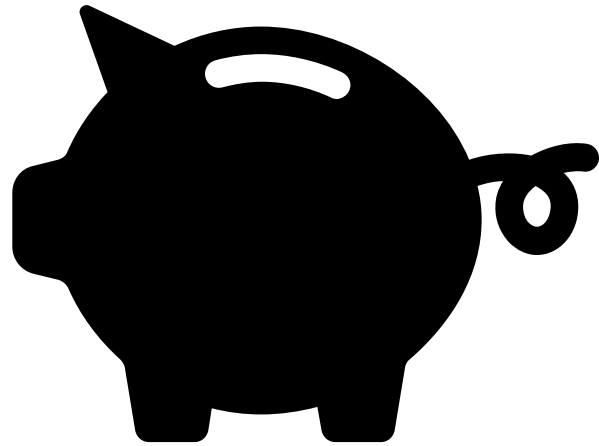
# Infrastructure in Resort Communities

- **Challenge:** mitigating traffic congestion (particularly near large tourist attractions like national parks).
- **Challenge:** providing transportation alternatives for people who work in town.
- **Challenge:** addressing industrial impacts on key local roads.
  - **Specific Resource:** CIB funding.
- **Challenge:** developing broadband internet infrastructure.
- **Challenge:** protecting watershed quality from development and natural disasters.
- **Challenge:** State routes double as municipal Main Streets, which then limits how communities can foster city centers.

# Public Safety in Resort Communities



- **Challenge:** recruiting and retaining officers, especially in light of cost of living or geography.
- **Challenge:** funding wildfire prevention in communities with a small tax base.
- **Challenge:** providing public safety to a large day/seasonal population with a small city tax base.
  - Public safety = police, fire, emergency response, search and rescue
  - HB 266 last session addressed part of this challenge



# Municipal Finance 101

How do cities achieve long-term fiscal sustainability to provide critical services & infrastructure for current and future residents?

We propose to:

- Examine tools
- Study the sustainability of those tools
- Potentially recommend statutory clarifications or adjustments



# Municipal Finance 101: 4 legged chair



## 1) Property tax

- Truth in taxation
- Commercial & residential property differences
- Counties & districts

## 3) Motor fuel tax

- 70/30 split with UDOT
  - 30% divided with counties
  - 50% weighted lane mile, 50% population

## 2) Sales tax

- Local option 1%
  - 50% point of sale, 50% population
- “Boutique” options

## 4) Other taxes & fees

- Telecommunications tax
- Energy sales & use tax
- Impact fees
- Business license fees
- Other user fees